

Approved Minutes

**Child Support Formula Standing Subcommittee**

June 11, 2002 Meeting  
held at SCAO, Lansing MI

**MEMBERS PRESENT:** Kent Weichmann, Roland Fancher, Patti Holden, Terry Adams, Ron Papke, Hon. Michael Skinner, and Don Reisig

**MEMBERS ABSENT:** Kim Lem

**STAFF PRESENT:** John D. Ferry, Jr., Darla Brandon, and Bill Bartels

**PUBLIC ATTENDANCE:** None

**1. CALL TO ORDER**

The meeting was called to order by Chairperson Kent Weichmann at 1:40 p.m.

**2. ROUTINE BUSINESS**

a. Approval of the May 14, 2002 Minutes

A motion was made by Ms. Holden and seconded by Mr. Adams to approve the minutes.  
**Motion passed.**

b. Correspondence

None.

c. Public Comment      None.

d. Guideline Review Project

- i. **Subcommittee Plans** - Mr. Ferry discussed with the subcommittee the importance of completing certain items for inclusion in the 2003 manual, before undertaking a longer-term review of the overall guideline or model methodology. He explained that the SCAO had started current project in an attempt to meet federal guidelines. The office contracted for a study with PSI, not necessarily to recommend replacement by another models, rather to look at how our guidelines stacked up against other states' guidelines, and make comparisons to what happened in other jurisdictions.

Expecting to implement key changes in the 2003 manual, the SCAO has an ambitious timetable and needs the subcommittee to be completed with several key items by the end of July. Because of the critical need for improvement in several provisions, Mr. Ferry stated that the sections needing to be reviewed first are: low income cases, especially when there is a dollar increase in support for each additional dollar in income; the shared economic

responsibility calculation the 128 day threshold's cliff effect; and the medical support provisions within the formula (responsibility to insure, reasonable cost of health care, cost of coverage, ordinary medical costs, and extraordinary costs). Resolution of those issues is important, and needs to be in the 2003 Guideline. The term for completing the longer-term overall review of the guideline, needs to be completed in time for Advisory Committee and State Court Administrator approval and implementation by late 2004.

- ii. **Results of the Web-Based Survey** - Mr. Bartels provided the subcommittee with a draft of charts with the preliminary results. The survey was provided on the web and was open to anyone. There were 600 responses to the survey. Overall, people are generally not satisfied with the child support formula. This survey was done to gather opinions, ideas, and perceptions of the parents, public, judges, attorneys, and friends of the court, and to help identify sections of the formula that may need review. The finalized report should be distributed to the subcommittee in late June.
- iii. **Measurement of Deviation** - PSI is still working on the report recommending improvements to measuring application of and deviation from the guideline.. It includes recommendations on how to improve the collection of data, and may include the survey instrument, survey structure, and how the information is gathered.

### 3. **UNFINISHED BUSINESS**

- a. **Prioritization (order) of Sections Under Consideration**
  - i. **Low Income and Imputation** - The subcommittee discussed the low income and imputation sections that were voted to be returned to the Advisory Committee at the last meeting. Group consensus was that an additional explanation, stating that the previously approved low income and imputation sections remain applicable to the formula, was needed.

Ms. Holden explained that it was her understanding that the Advisory Committee didn't have a specific disagreement with either provision. Rather they wanted quick review to make sure both provisions were still valid and fit into what was done in this review.

A motion was made by Mr. Reisig and seconded by Ms. Holden to inform the Advisory Committee that the original rationales for the changes to the low income and imputation sections of the formula remain valid, and the subcommittee recommends that those changes be made to the formula manual. **Motion passed.**

- ii. **Recommendations from *Report on the Michigan Child Support Formula*** - The recommendations relating to low income and imputation were forwarded to the Advisory Committee, as discussed above. The other items identified by John Ferry, the cliff effect of shared economic responsibility and medical support, will be handled later as part of the overall review of the guideline.
- iii. **Shared Economic Responsibility/softening the cliff effect** - Most of the members felt the subcommittee came to a consensus at the March meeting, but no formal motion had been made. The subcommittee discussed the different options regarding the number of days at

which to apply the new formulae. Dropping the threshold to 50 days or 100 days made little difference, as long as the Parenting Time Abatement was applied at the same point.

Mr. Bartels suggested considering dropping the threshold to low number of days (e.g. 50 days), and in cases where it is applied it eliminates the need for 50% abatement and its case by case and visitation to visitation administration. Assumption would base calculation on what's ordered, unless the parents have shown a different pattern has been exercised. Before doing so, need to consider what to do in cases where there is unexercised parenting time, undefined number of days where parties just agree, and it may create fights where there are not any to date.

Mr. Adams suggested using 105 days, which is one day more than two days a week for a year. Another suggested starting with fifty two days or more, assuming only alternate weekend parenting time.

The committee will finalize the issue at the July meeting. Two things need to be addressed, the use of the ratio of the cubes and the appropriate threshold (number of days) to use when applying the calculation.

- iv. **Health Care and Medical Support** - the subcommittee discussed what this involved at several points during the meeting. All agreed that it was a priority item, and as much as possible needed to be completed at the next meeting. The topic includes health care or medical support related provisions within the formula.

The urgency of this topic is being driven somewhat by implementation of the National Medical Support Notice, NMSN, and its automation on CSES. The office of child support issued a policy document that is inconsistent with the formula manual on the definition of the reasonable cost of medical care. The Michigan legislature went beyond the federal mandate, and requires that NMSN enforcement take place against custodial parents, as well as the mandated non-custodial parents. The effect of enforcing coverage against both parents (e.g. when the system doesn't know one is carrying insurance), its effect in low income cases, and against payees without considering the support they pay directly instead of by income withholding, all indicate additional consideration is needed. Mr. Reisig expressed concern about forcing two people to carry insurance, the second premium payment reduces the amount of money is available for the benefit of the children.

The subcommittee agreed to decide on changes to the division of insurance premiums, ordinary medical costs, and extraordinary costs at the next meeting. If time permitted, the subcommittee agreed to attempt giving consideration to potential changes to the reasonable cost of supplying health care, and deciding on which party is responsible to supply health care coverage.

Mr. Bartels will supply the subcommittee with information before the next meeting. He also will attempt to have a representatives from MI-Child and FIA (medicaid) attend a meeting to discuss medical support.

- v. **Different Custody Arrangements for Children in a Family** - The guideline currently causes visible disparities when applied to different numbers of children in the separate arrangements. The proposed solution of using the average support per child, caused problems in cases where the same number of children were in the separate arrangements. Mr. Weichmann will work on a proposal for the next meeting.

- vi. **Multiple Support Orders** - tabled for a future date.

b. Etc. - Other provisions

- i. **Incarcerated payers** - how to get charges to stop accruing. Mr. Fancher stated that Muskegon Friend of the Court reported on a study their office conducted that showed that 50% of all arrears are owed by people who earn low incomes. Tabled for a future date.
- ii. **Guideline Determining Which Parent Gets Tax Exemptions** - The subcommittee discussed issues related to assigning tax exemptions. According to Mr. Weichmann, in the *Fear v. Rogers* case, tax exemptions are child support related provision unless order specifically says its not. There was some question whether this was an appropriate topic for the guideline. The consensus was that the formula already deals with tax exemptions, in that whomever gets the exemption pays part of their increased income in their child support.

4. **NEW BUSINESS**

- a. None. No new business was on the agenda
- b. Executive Summary of the Guideline Background. During a discussion on the PSI web-based survey, the issue of the lack of understanding of how the guideline works and the need for training was included. The subcommittee came to the consensus that a short (two-page) executive summary of how to view and understand the process and how the formula manual works in the next guideline.

5. **CLOSING**

- a. Final Public Comment - None.
- b. Members Closing Comments - Mr. Adams provided the committee with a document to reconsider all the basic issues under child support.
- c. Next Meeting Date - July 9, 1:30 p.m. - 4:00 p.m.
- d. Adjourn A motion was made and seconded to adjourn the meeting. All agreed, and the meeting adjourned at 3:40 p.m.

Respectfully submitted,

Darla Brandon